

No. 18,774.

IN THE
UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT.

PAUL SACHS ORIGINALS CO.,
Appellant,

vs.

JOHN SACHS and LEO HIRSCH, Doing Business as
SACHS OF CALIFORNIA, a Partnership,
Appellees.

REPLY BRIEF OF APPELLANT.

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REPLY BRIEF OF APPELLANT.

INTRODUCTION.

By study of appellees' brief, one, of course, notes the predilection of appellees to cast aspersions upon appellant's arguments as though the same were precariously balanced on either out-of-context material or an ignoring of certain unspecified findings. It is submitted that this repeatedly exercised tendency of appellees is wholly unjustified, as appellant has earnestly sought to cover every aspect of this case and that, hence, appellees could only be projecting upon appellant characteristics most convincingly demonstrated by appellees' brief. Appellant will indicate herein, in the space allowed, at least the quality of the widespread usage of out-of-context material by appellees, revealing, through misconstruction of precedents, a misconception as to the fundamental applicable principles of law.

The constant reassertion of good faith or innocence in adoption of their mark runs thematically through appel-

lees' brief, as though such, without more, constitutes an impregnable defense. As will be discussed hereinbelow, good faith is no defense. Also, one cannot help but be struck by an implied argument in appellees' brief, which is to the effect that trademarks are of questionable value, since women only buy dresses that fit. This viewpoint which constitutes a flowing undercurrent is, of course, effectively denied by the strong resistance made by appellees in this case, which resistance attests most convincingly to the fact that trademarks are important.

COLE OF CALIFORNIA CASE.

A decision in the Patent Office which was just published on September 9, 1963, is considered by appellant to be so extremely important that the full opinion has been set forth as an appendix hereto. This is the case of **Cole of California, Inc., v. Richard J. Cole, Inc.** (PO TM TApp Bd), 138 USPQ 522. The pertinency of this case to almost all facets of the present case is quite apparent, and comment will be made thereon at the appropriate junctures throughout this brief. Therein the unsuccessful applicant sought to rely upon the decision of the District Court in this very case upon the apparent ground that if the expression "of California" was as distinctive as the District Court had held, then certainly one utilizing the expression "of California" in its mark should not be heard to complain because someone else used the same basic mark but without the expression "of California". In other words, there are two sides to a coin, so that in all justice, if the expression "of California" does, arguendo, have secondary meaning in the wearing apparel field, then the absence of such expression from the mark of an individual should render that individual immune to any attack by a concern using the same mark but with the expression attached. The sword has to cut two ways if logic is to prevail, so that, for instance, if the District

Court's view was maintained, then one utilizing the expression "Sachs of California" could not object to the use of the term "Sachs" by another firm on the same merchandise.

The Patent Office, however, rejected this view and did not follow the decision of the District Court in this case, but held the expression "of California" to be "a merely geographical notation" with the name "Cole" being the salient feature of the trademark. Thus, despite the District Court's finding, the Patent Office still maintained the aforesaid expression to be only geographical, at least, as far as women's wearing apparel is involved.

Since appellees *concede* the importance of decisions of the United States Patent Office and thus joins with appellant in this regard (Br. 24), the opinion in the **Cole of California case** is most apt. The Patent Office, despite the fact that each of the marks was comprised of three or more words, still looked at the dominant feature of each of the marks, which it held to be the word "Cole", and thereon held for the opposer, denying the applicant the right to register its mark.

It will also be seen that each of the parties in that case did not produce the same dresses, with Cole of California, Inc., using its mark on swim suits, beach wear and sportswear, and the applicant using its rather lengthy mark "Coleknit by Richard Cole" on ladies' and misses' dresses, coats, suits, skirts, blouses and shirts. The court noted that the goods were partly identical *in kind* and otherwise comprised items of women's wearing apparel which could be attributed to a single source if sold under similar marks.

Accordingly, this timely Patent Office decision is urged for serious consideration by this Court, since it was decided with full knowledge of the findings by the District Court in this case.

APPELLEES CONCEDE THAT "SACHS" IS DOMINANT PORTION OF THEIR MARK.

Throughout their brief appellees repeatedly resort to an oft stated view that trademarks should be considered in their entirety (Br.* 25, 29, 30, 53 et seq.). Appellees assert:

“* * * courts have applied the rule that the trademark must be considered ‘in its entirety’ and that a single identical word or the portion of a trade-mark will **not** be held to be ‘dominant’ so as to confuse a purchaser *in the absence of special emphasis in size, color or appearance upon [read ‘of’] the word of [read ‘or’] term claimed to be dominant*” (Br. 29).

By this definition appellees have *conceded* that the word “SACHS” is dominant in their trademark, for one cannot deny that it does not have special emphasis in size and appearance in the term “SACHS of California.” Appellees have admitted what is nothing more than an objective fact.

Appellees refer to various cases on the pages above noted, as though the same support their statement. A proper study of these cases, rather than a mere glance at the headnotes shows that although courts make reference to the rule that trademarks are to be considered in their entirety, they still actually dissect the marks involved so as to give proper relative weight to those portions which are distinctive. For example, in **Vita-Var Corp. v. Alumitone Corp.** (D. C. S. C. Cal.—1949), 83 F. Supp. 214, 81 USPQ 330, in holding “Alumatone” and “Alumikote” to be dissimilar, the court noted that the prefix portions of the marks were derived from the word “aluminum” and have been commonly used in combination with other words in connection with aluminum paints since long prior to plaintiff’s first use of “Alumikote.” In **American**

* Herein the abbreviation “Br.” refers to appellees’ brief.

Chicle Co. v. Topps Chewing Gum, Inc. (CCA 2—1954), 210 F. 2d 680, 101 USPQ 133, the court observed that the prefix “clor-” in the marks of the parties was nothing but a descriptive, abbreviated term for the word “chlorophyll”, and thus ignored such prefix in considering the similarity of the marks. The quotation on page 56 of appellees’ brief from the case of **Solventol Chemical Products v. Langfield**, 134 F. 2d 899, demonstrates that the court ignored the prefix “sol-” in the marks, since the same was descriptive as to solvents, and based its decision upon the lack of similarity in the suffix portions. In **Miles Laboratories, Inc. v. Frolich** (D. C. S. C. Calif.—1961), 195 F. Supp. 261, 130 USPQ 18, in holding the marks “Alka-Seltzer” and “Milk-O-Seltzer” not to be confusingly similar, the court observed the descriptive character of the word “seltzer” and thus discounted the suffix in those marks. Similarly, in **Nestle Milk Products v. Baker Importing Co.** (CCPA—1950), 182 F. 2d 193, 86 USPQ 80, the court held “Nescafe” and “Hycafe” to be dissimilar upon the ground that the word “cafe” was descriptive as applied to coffee products. The following statements of the Court in that case show most clearly how courts in reality apply the concept of entirety at page 196:

“The marks considered in their entireties must be considered * * *. A descriptive word, having little trademark significance, will not be regarded as the dominant part of the mark.”

In **Societe Anonyme, etc. v. Julius Wile Sons & Co.**, 161 F. Supp. 545, 117 USPQ 258, the court recognized the “concededly descriptive nature” of the suffix “mint” in the marks of the parties and based its decision on the question of the similarity of the prefix portions, thereby in a judicially constant manner, denying trademark significance to descriptive language.

Restriction of space prevents comment with respect to each of these cases cited by appellees, but it can be unequivocally asserted that none of the cases support the above statement of appellees, and, furthermore, substantially all show conclusively that the so-called rule of viewing trademarks in their entirety is exercised only after a judicial dissection of the marks and a discounting of descriptive portions. Thus, these cases cited by appellees support appellant's view that the word "Original" in appellant's mark and "of California" in appellees' mark, being descriptive, "will not be regarded as the dominant part of the mark."

In the **Cole of California, Inc., case**, supra, each of the parties had trademarks comprising a plurality of words but the Patent Office only considered the term "Cole" which was common to both and held the marks confusingly similar despite all the additional verbiage, holding "Cole" to dominate "Coleknit" and "Cole" to be the salient feature of "Cole of California."

APPELLEES CONCEDE MERCHANDISE OF PARTIES SUBSTANTIALLY IDENTICAL.

In their effort to prove that the garments of the parties are different, appellees rely upon physical measurements and styling. As for styling, the judicial notice of the trial court with respect to the seasonal changes in styling (R. 45) satisfactorily discounts any distinction based on styling. With respect to measurement, appellees rely upon one inch in the bust, one inch in the waist, and possibly two inches in the hip (Br. 9, 10) to be adequate for proving that ready-to-wear dresses showing such differences would not be considered as emanating from the same source of origin. The implication of such a contention is that another manufacturer could with impunity produce, as it were, a "Sachs" or a "Jane Sachs" dress having a 34-

inch bust; another a “Sachs” or a “Mary Sachs” dress with a 33-inch bust, ad infinitum without the possibility of confusion. Appellees do not cite one precedent which would suggest a legal foundation for such a microscopic difference in dresses and, most pointedly, appellees have refused to consider the numerous cases cited in appellant’s brief showing how courts view articles of wearing apparel identified by confusingly similar marks.

However, the **Cole of California, Inc.** case, *supra*, shows that the Patent Office does not subscribe to any theory differentiating merchandise which is “identical in kind”, but having, at best, a most limited dimensional differentiation. The issue is whether the wearing apparel could be attributed to a single source if sold under similar marks. It is submitted that the tape measure is not the proper yardstick.

APPELLEES MISCONCEIVE AND MISCONSTRUE LAW AS TO REGISTRABILITY OF SURNAMES.

Commencing at page 20 of their brief appellees enter into an irrelevant discussion concerning registration of personal name marks. In doing so appellees make reference to appellant’s pre-trial brief, which is not even before this Court. They fail to advise the Court that that portion of appellant’s pre-trial brief was written in response to appellees’ Memorandum of Contentions of Fact and Law, submitted to the trial court, wherein they erroneously argued that “Plaintiff does not have a valid trademark in either the designation ‘Paul Sachs’ or the designation ‘Don Sachs’”. To quiet this unfounded charge, appellant made reference to the case **Ex Parte Andre Julian Dallieux** (Comr. Pats.—1949), 83 USPQ 262, which is only controlling as to the registrability under the Trade Mark Act of 1946 of marks comprised of a Christian and a surname. But such case is not controlling as to the matter of regis-

trability of surnames pursuant to the provisions of 15 U. S. C. 1052 (f), which provides that nothing in the Act will prevent the registration of a mark which has become distinctive of the applicant's goods in commerce, and this holds whether the mark is simply a surname. Surnames alone are registrable under the Trade Mark Act of 1946, and the said provision, 15 U. S. C. 1052 (f), is nothing more than a latter-day refined legislative expression of the ten-year proviso of the Trade Mark Act of 1905, under which the plaintiff in **Thaddeus Davids Co. v. Davids** (Sup. Ct.—1915), 233 U. S. 461, 34 Sup. Ct. 648, 58 L. Ed. 1046, registered its surname mark "Davids"; said case being cited in appellees' brief. Thus appellees' discussion on this point has no relation to the issues in this case. In passing, it is to be noted that possibly through oversight appellees failed to take cognizance of the case of **Girard-Perregaux & Cie., S. A. v. Perregaux** (Comr. Pats.—1959), 122 USPQ 95, wherein it was held that "‘Paul Perregaux’ is likely to be confused with ‘Girard Perregaux’ and ‘Perregaux’", both being used on watches. Therefore, the reference in appellees' brief at page 23 to **Ex Parte Perregaux** (1955), 106 USPQ 206, is without moment, as that holding was overruled.

CALIFORNIA APPAREL CREATORS CASE.

Appellees at page 68 of their brief charge that appellant ignored the holding of the Court of Appeals, 2nd Circuit, in **California Apparel Creators v. Wieder of California, Inc.** (CCA 2—1947), 162 F. 2d 893; 74 USPQ 221. Space alone prevented appellant from discussing this case, as it is most pleased to bring to the Court's attention the significance of that important decision. It appears that appellees have not studied same closely enough and inadvertently misconstrued same. By the out-of-context quotation appearing at page 69 of appellees' brief, it

will be seen that the court in that case recognized that geographical names may develop secondary meaning with respect to “products of the soil” which have relative superior qualities because of **climatic** or other **natural** advantages; or with respect to a product of a **single quality** of **generally** recognized superiority which is produced in accordance with a **peculiar patent** or other **special process**. Certainly, the dresses of appellees are not products of the soil, nor are they of a single quality produced from a peculiar patent or other special process. As a matter of fact in that case, the court noted that the goods of the plaintiffs, California wearing apparel manufacturers, had “no apparent or obvious connection with the locality,” and that there were no definite standards of quality or grading. Similarly in this case, appellant has contended that appellees have not shown that their dresses have any unique character, nor did witnesses produced by appellees seek to show conditions as to quality or the like among the members of the California Creators (see appellant’s opening brief, page 57). Therefore, this case which appellees assert was ignored by appellant most strongly buttresses appellant’s position.

GOOD FAITH NO DEFENSE.

Throughout their brief appellees respectfully contend that they adopted their mark in good faith, honestly, innocently, and without any intention to damage appellant. Consequently, by this theme appellees have sought to distinguish cases cited by appellant as though the unsuccessful parties therein were necessarily guilty of a deliberate, fraudulent intent to ride upon the coattails of the other parties. Trademark infringement and unfair competition actions are not criminal actions, so that the intent of a party does not control. By virtue of the constructive notice provision of the Trade Mark Act of 1946,

the defense of good faith has been eliminated from cases of this type (see discussion at page 63 of appellant's opening brief). Furthermore, the cases are legion which show that good faith is no defense in common law unfair competition actions as well.

“It is not essential to prove fraudulent intent. An injunction is proper if the natural consequences of defendant's conduct is such as to cause deception.” **MacSweeney Enterprises v. Tarantino** (1951), 106 Cal. App. 2d 504, 513, 235 P. 2d 266.

“It does not appear that an evil intent is necessary to relief.” **Lane Bryant, Inc. v. Maternity Lane, Ltd.** (CA 9—1949), 173 F. 2d 559, 564, 81 USPQ 1.

“It is not essential, however, to constitute unfair competition, that there be an actual intent to deceive or mislead the public * * *.” **Harvey Machine Co. v. Harvey Aluminum Corp.** (N.Y.S.—1957), 9 Misc. 2d 1078, 1080, 113 USPQ 437.

It is the natural and probable result of appellees' conduct which is determinative, regardless of intent. Although appellees testified that they conferred with counsel, it was admitted that no investigation was made of the Patent Office records (RTR 64). Action pursuant to legal advice does not provide immunity.

“Consultation with able counsel is no defense. An action contrary to established legal principles cannot withhold the arm of equity from imposing the just result required by the facts.” **Bennett Bros., Inc. v. Floyd Bennett Farmers Market Corp.** (N. Y. SupCt—1960), 124 USPQ 345.

Conversely, appellant, before adopting its trademark DON SACHS, and despite its long usage of the trademark PAUL SACHS, did cause a Patent Office search first to be made (RTR 246). Incidentally, the application for registration

of DON SACHS was **published** at least ten days before appellees commenced doing business, and not filed at that time, as erroneously stated at page 3 of appellees' brief.

USE OF SURNAME OF PARTNER NO DEFENSE.

Appellees defensively urge, that the name Sachs is a surname of one of their partners despite the fact that the District Court made no conclusion relative thereto. It is not to be overlooked that appellees constitute a partnership which is not "owned" by John Sachs, as appellees erroneously state as a so-called "uncontradicted fact" (Br. 3), so that in this case there is not an individual using his own name, but rather there is a plurality of individuals using the name of one of the group. None of the cases cited by appellees relate to the usage of the name of a partner. However, without regard to this distinction, the suggestion that use of one's surname as a trademark is inalienable is not supported by precedent. Appellees have conceded the following:

"We fully recognized the rule that not even an individual can use his own name in such a manner as to cause confusion or deceive the public * * *" (Br. 36),

but then assert that honest usage of one's surname should entitle one to substantial equitable considerations. Here again appellees would excuse their use of their trademark solely upon the ground that they had no malevolent intent. In **Alexander Henderson v. Peter Henderson & Co.** (CCA 7—1925), 9 F. 2d 787, 16 T. M. Rep. 61, the defendant was enjoined from using his surname Henderson as a trademark upon packages of seeds by virtue of the prior use and registration of the name Henderson by plaintiff. The court, noting that the defendant stressed his good faith in adopting his trade name, effectively disregarded such protestations and stated (at page 789):

“Such things may explain how it came about, and may tend to acquit appellant of moral turpitude in its use of the trade name, but this in no manner minimizes the effect upon appellees’ trade rights, nor its remedy for their invasion.”

In **Thaddeus Davids Co. v. Davids**, *supra*, the plaintiff had registered its trademark “Davids” under the ten-year proviso of the Trade Mark Act of 1905. In connection with the present case, the following statement by the court is apt (at page 471):

“Moreover, in view of this statutory right [registration] it could not be considered necessary that the complainant, in order to establish infringement, should show wrongful intent in fact on the part of the defendant, or facts justifying the inference of such an intent.”

Thus, the question of good faith has long been recognized as of no moment in cases involving surname-type trademarks as well as any other character of trademark, all as considered hereinabove at page 10.

As a further argument for use of the surname Sachs, appellees urge that “Sachs” is not a household word (Br. 39), as the following may be considered to be: “Dobbs,” “Stetson,” “Tiffany,” “Waterman,” “Brooks,” etc., and imply that in view of this distinction there should be no barrier to their use of “Sachs.” This view is not worthy of recognition, for if courts are to grant protection only to trademarks of companies with tremendous capital and sales volume, then more modest firms could not develop protectable property rights and would be subjected to piracy with impunity. Contrary to appellees’ view, the case of **Brooks Bros. v. Brooks Clothing of California, Ltd.** D. C. S. C. Calif.—1945), 60 F. Supp. 442, 65 USPQ 301, is **not** distinguishable, but is most immediately in point. This

case does not, as appellees contend, hold that only trademarks of large firms may be given the benefit of our trademark laws and the common law of unfair competition.

In **Thaddeus Davids Co. v. Davids**, supra, the defendant used "C. I. Davids" as a trademark, and such was held to infringe plaintiff's registration for "Davids." The defendant urged that he had a right to use his name in his business, but the Supreme Court observed that such a position would render the registration under the ten-year proviso of the Trade Mark Act of 1905 meaningless by stripping it of practical effect. The court stated, at pages 468, 471:

"Having the right to register its mark, the complainant was entitled to its protection as a valid trademark under the statute."

In the **Alexander Henderson** case, supra, the court followed the **Thaddeus Davids** case and was consistent in recognizing the protection to be accorded a registered trademark which had a surname character. Also pertinent is **William P. Stark v. Stark Brothers Nurseries Co.** (CCA 8—1919), 257 F. 9, affirmed 255 U. S. 50, 65 L. Ed. 496, 41 Sup. Ct. 221, wherein the plaintiff's trademark "Stark Trees" was registered under the ten-year proviso of the Trade Mark Act of 1905 and was held by the court to be infringed by the defendant's use of the name "William P. Stark." The court stated, at page 12:

"To justify a finding of infringement of a trademark it is not necessary that the similitude should be exact * * *."

In referring to the **Thaddeus Davids Co.** case, the court remarked:

"The statutory right cannot be so narrowly limited. Not only exact reproduction, but a 'colorable

imitation,' is within the statute; otherwise, the trademark would be of little avail, as by shrewd simulation it could be appropriated with impunity."

The court therein was not impressed with descriptive wording decorating defendant's label, but was drawn to the critical word, namely "Stark", regarding its special emphasis and the vivid manner in which it suggested plaintiff's trademark "Stark Trees" (just as "SACHS" dominates "SACHS of California"). The holding by this court in the **Brooks Bros.** case, *supra*, that a trader will be protected in the use of a name "even against a newcomer having the same surname" (at page 450), is also held by other courts of the State of California. In **Hoyt Heater Co. v. Hoyt** (Calif. Dist. Ct. of App.—1945), 68 Cal. App. 2d 523, 157 P. 2d 657, 65 USPQ 294, the court stated (at page 527):

"* * * one must use his own name honestly and not as a means of pirating the good will and reputation of a business rival; and where he cannot use his own name without inevitably representing his goods as those of another he may be enjoined from using his name in connection with his business."

Also to the same effect are the following:

"* * * the **present trend of the law** is to enjoin the use even of a family name where such use tends or threatens to induce confusion in the public mind." (Emphasis ours.) **Sullivan v. Ed Sullivan Radio & T. V., Inc.** (N. Y. App. Div.—1956), 1 App. Div. 2d 609, 611, 110 USPQ 106.

"* * * It is not essential that there be an actual intent to deceive or mislead the public. **Higgins Co. v. Higgins Soap Co.**, 144 N. Y. 462. Nor is it any excuse that the defendant is using his own name or any part of it or that the parties are not in actual

competition or in identically the same line of business.” **National Design Center, Inc. v. 53rd St. Design Centre, Inc.** (N. Y. S.—1960), 24 Misc. 2d 545, 203 N. Y. S. 2d 517, 519, 125 USPQ 596.

“Nor is it any excuse or justification that defendant is using his own name or any part of it, or that the parties are not in actual competition or in identically the same line of business. * * * The test is whether the use by defendants of plaintiff’s name or mark is likely to confuse and mislead the public and injure plaintiffs’ name, reputation, good will or business.” **Harvey Machine Co. v. Harvey Aluminum Corporation** (N. Y. S.—1957), 9 Misc. 2d 1078, 1081.

Also pertinent are the cases of **MacSweeney Enterprises v. Tarantino**, supra, and **Winfield v. Charles** (1946), 77 Cal. App. 2d 64, 175 P. 2d 69, wherein the court noted that the use of one’s name is not absolute. Also apt is **Hat Corporation of America v. D. L. Davis Corp.** (D. C. Conn.—1933), 4 F. Supp. 613, 19 USPQ 210, wherein the defendant was enjoined from using the trademark “William H. Dobbs” by reason of the prior use of “Dobbs” by plaintiff. The injunction went to the name “Dobbs” with or without initials. In considering the matter of utilizing limiting initials or the like, Judge Hincks stated (at p. 622):

“And, obviously, half-way limitations inadequate to prevent confusion, propagate litigation, devastating uncertainty in business, and a cynical reaction to the administration of law. **Such results cannot be justified by a false tenderness for the rights of the individual.**” (Emphasis ours.)

“To be sure, he is entitled to protection in all proper use of his name, but not to a use which, though true to the few fully informed, is false to the many who are only partially informed.”

This statement of Judge Hincks presaged the modern concept that one does not have an unalterable, inalienable right to utilize one's name in his business, and that to effect equity, courts have the power to enjoin the use of surnames. Accordingly, appellees' position that they should not be held accountable for the dilution and potential destruction of appellant's trademarks merely because they are utilizing the surname of one of the partners, even if honestly, is without merit.

THIRD PARTY USAGE NO DEFENSE.

At pages 4 and 5 of their brief, appellees set forth a list of names which appeared in certain exhibits and attempt to conclude from such bare list that retail women customers have distinguished for many years between dress manufacturing firms having similar names. Such a conclusion is unwarranted for myriad reasons. Firstly, there was no evidence at all that any of the firms set forth in this list were actively in business; secondly, there was no evidence submitted as to the actual trademarks utilized by these firms; thirdly, there was no evidence as to the merchandise in which each of these parties dealt; fourthly, there was no evidence that these firms were not related through corporate structures, agreements, etc.; fifthly, there was no evidence that any of these firms had not been engaged in litigation; sixthly, there was no evidence from any women that they had not been confused by such names and nextly, there was no evidence as to the duration of existence of any of these firms for suggesting "many years."

Therefore, such list is incompetent to prove anything. One cannot overlook the implied *concession* of appellees that their mark "Sachs of California" is similar to "Paul Sachs" and "Don SACHS" (with or without "ORIGINAL") when they unfoundedly argue that women cus-

tomers can differentiate between **substantially similar names.**

Furthermore, for the sake of discussion, if one were to assume that all of the names listed were for active companies, producing the same dimensionally proportioned dresses, such fact alone would not excuse appellees from violating the property rights of appellant. It has long been recognized that wrongs of others is no defense—**Richard Hudnut v. Du Barry of Hollywood, Inc.** (D. C. S. D. Calif.—1960), Docket No. 1345-59-MC., 127 USPQ 486, 50 T. M. Rep. 1219; **National Lead Company v. Wolfe et al.** (CCA 9—1955), 223 F. 2d 195, 105 USPQ 462; **Del Monte Special Food Company v. California Packing Corp.** (CCA 9—1929), 34 F. 2d 774, 3 USPQ 15.

BASIC MISCONCEPTIONS OF APPELLEES.

At pages 47 and 48 of their brief appellees refer to a conclusion reached by the trial court concerning the question of likelihood of confusion, and then, as though to support same, state that: “ * * * in this circuit factual findings of this nature will not be reversed even though ‘reasonable minds might differ’ ”. Appellees demonstrate a failure to make the fundamental distinction between a conclusion and a finding of fact, and their reference to **Audio Fidelity, Inc. v. High Fidelity Recordings, Inc.** (C.C.A. 9—1960), 283 F. 2d 551, 127 USPQ 306, emphasizes their misconception, as well as exemplifying their proclivity for taking matters out of context. The sentence in the opinion of that case following the quoted material in appellees’ brief is most illuminating. The court stated, at page 557:

“But the trial court, having become convinced that exact copying by appellee of appellant’s design had taken place, applied an improper theory of law in

failing to rely on the inference created by such proof by copying.”

Incidentally, this Court reversed the District Court's holding for the defendant in that case. It is submitted that the above-discussed case is most pertinent to appellant's position, as appellant maintains that the trial court failed to apply the proper theories of law since, through a seeming lack of appreciation of the issues, it did not draw the proper inferences from the facts.

* * *

Appellees urge that their trademark has developed secondary meaning (Br. 65) even though they failed to show any consumer acceptance whatever, much less volume of sales, amounts spent in advertising, etc. As a matter of fact, they did not even show evidence of continuous usage. Secondary meaning can only be obtained after considerable effort, and there was no suggestion of this from appellees' evidence. Appellees did not even approach meeting the criterion for secondary meaning set down by the United States Supreme Court, which is to show that customers are aware of the fact that “a single thing is coming from a single source.” **Coca-Cola Co. v. Koke Co.** (Sup. Ct.—1920), 254 U. S. 143, 65 L. Ed. 189, 41 Sup. Ct. 113; see also **Callmann, The Law of Unfair Competition and Trade Marks**, 2nd Edition (Callahan & Company, 1950) page 1241.

* * *

The manner in which appellees have attempted to cope with numerous of the apposite citations in appellant's brief is most evasive. For instance, from pages 37 through 46, appellees discuss numerous of appellant's cases, but entirely without regard to the points which they support in appellant's brief. A similar effort is shown in pages 61 through 65, where certain of appellant's cases are considered, but without reference to the propositions for which

they stand as presented in appellant's brief. Thus appellees would thereby *concede* that these cases do uphold their respective points in appellant's brief. Even though they are argued out of context in appellees' brief, their pertinency to appellant's position is undiminished.

* * *

For reasons difficult to determine, appellees have cited at pages 58 and 59 a plurality of cases dealing with the names of periodicals or magazines. In discussing those cases appellees failed to state the basis for a finding of non-infringement therein, since in each case relief was denied because the plaintiff had adopted such a descriptive term to distinguish its magazine that the same had no trademark significance.

“It is difficult to conceive of a term ('Aviation') that would be more descriptive of the contents of the plaintiff's magazine. * * * The defendant, then, has not infringed the 'trademark,' for the plaintiff has no trademark, either under the statute or the common law.” **McGraw-Hill Publishing Company v. American Aviation Associates** (CCA D. C.—1940), 117 F. 2d 293.

“The confusion that existed was due to the fact that plaintiff selected descriptive words for its name.” **Collegiate World Publishing Co. v. DuPont Publishing Co.** (D. C. Ill.—1926), 14 F. 2d 158.

“The use of ordinary words, either alone or in combination, without more, to describe a publication, is not entitled to protection under the law of trade marks or unfair competition.” **Palmer v. Gulf Publishing Co.** (D. C. S. C. Calif.—1948), 79 F. Supp. 731.

Therefore, it is obvious that these cases have no relationship to the present case, wherein appellant's trademarks are arbitrary and fanciful and hence non-descriptive.

* * *

At no less than four points in their brief appellees charge that appellant seeks a monopoly of the surname Sachs. Such a statement is not only inaccurate and misleading, but also inflammatory, the use of the word “monopoly” carrying an opprobrious connotation in today’s economy. It is certain that this Court is aware that appellant is trying, in this action, to protect nothing more than property rights and goodwill, developed at tremendous effort and expense, in and to their trademarks as used upon ready-to-wear dresses. Appellant does not seek to prevent others from using the name Sachs in conjunction with merchandise or services which could not be confused as to source of origin with appellant’s merchandise. The term “monopoly” has no place in suits of this character where the only aim is to inhibit the destruction of the most valuable assets, the trademarks, of one’s business by another trader.

CONCLUSION.

Appellant reiterates its position that the record in this case demonstrates that appellees’ use of “Sachs of California” on ready-to-wear dresses violates established, valuable property rights of appellant in and to its trademarks and trade name, so that appellant is entitled to the relief prayed. Wherefore, appellant urges that the decision of the District Court should be reversed.

Respectfully submitted,

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APPENDIX.

Patent Office Trademark Trial and Appeal Board

Cole of California, Inc. v. Richard J. Cole, Inc.

Decided June 25, 1963

Released Aug. 26, 1963

Trademarks

1. Identity and similarity—How determined—Purchasers and selling methods (§ 67.4071)

Fact that there may be an appreciable difference in retail cost of goods of parties is not controlling since prices are subject to change.

2. Marks and names subject to ownership—Names—Corporations of partnerships (§ 67.5213)

Marks and names subject to ownership—Names—Individuals (§ 67.5215)

Right to use one's own name in connection with his business does not extend to use thereof by corporation.

3. Marks and names subject to ownership—Names—Individuals (§ 67.5215)

When one elects to use his own name as a trademark, registrability thereof is subject to same considerations as other types of marks, i. e., registration can be refused under section 2 (d) of 1946 Act if it is identical with or so nearly resembles a name or mark previously used by another in connection with similar or closely related merchandise as to be likely to cause confusion.

4. Identity and similarity—Words—Similar (§ 67.4117)

“Coleknit By Richard Cole” so resembles “Cole” and “Cole of California” that confusion is likely.

5. Identity and similarity—How determined—Adding to other’s mark (§ 67.4053)

Addition of name to one of two otherwise similar marks is not of itself sufficient to avoid likelihood of confusion.

Trademark opposition No. 41,443 by Cole of California, Inc., against Richard J. Cole, Inc., application, Serial No. 112,223, filed Jan. 23, 1961. Opposition sustained.

Blum, Moscovitz, Friedman & Blum, New York, N. Y., for
Cole of California, Inc.

Samuel L. Orlinger and Philip G. Hilbert, both of New
York, N. Y., for Richard J. Cole, Inc.

Before Leach, Waldstreichler, and Lefkowitz, Members.

Lefkowitz, Member.

An application has been filed by Richard J. Cole, Inc. to register “COLEKNIT BY RICHARD COLE” for ladies’ and misses’ dresses, coats, suits, skirts, blouses and shirts, use since October 20, 1960 being alleged.

Registration has been opposed by Cole of California, Inc., which alleges that “COLEKNIT BY RICHARD COLE” so resembles opposer’s long prior used name “COLE” and mark “COLE OF CALIFORNIA” in connection with swim suits, beach wear and sportswear as to be likely, when applied to applicant’s goods, to cause confusion or mistake or to deceive.

Only opposer has taken testimony.

According to its record, opposer has, since 1939, been engaged in the manufacture of swim suits, sun dresses, accessories, sportswear and the like which it has sold under the trademark "COLE OF CALIFORNIA." In addition, opposer has since that time used the name "COLE," per se, in its advertising and promotional material to identify both its business entity and the apparel sold thereby. Opposer's sportswear are sold to leading department stores and better quality wearing apparel shops located throughout the country. Opposer's sales have approximated three and a half to four and a half million dollars a year prior to 1961, and about five million dollars in 1961. Apparel identified by "COLE," per se, and "COLE OF CALIFORNIA" has been extensively advertised over the years through nationally distributed fashion magazines, newspapers, newspaper supplements, billboards, and direct mailing pieces, at a cost to opposer of upwards of two hundred and fifty thousand dollars a year.

Opposer is prior with respect to its use of "COLE," per se, and of "COLE OF CALIFORNIA." The goods of the parties, moreover, are in part identical in kind and otherwise comprise items of wearing apparel for women which ordinarily would be attributed to a single source if they were to be sold under the same or similar marks. Cf. *General Shoe Corporation v. Lerner Bros. Mfg. Co., Inc.*, 117 USPQ 281 (CCPA, 1958); and *Cambridge Rubber Company v. Cluett, Peabody & Co., Inc.*, 128 USPQ [1] 549 (CCPA, 1961). That there may be, as urged by applicant, an appreciable difference in the retail cost of the respective goods of the parties is not controlling herein since the price range of the merchandise of either party is subject to change at any time. See: *Chester Barrie, Ltd. v. The Chester Laurie, Ltd., et al.*, 127 USPQ 255 (DC NY, 1960). The only question for determination herein is whether or not applicant's mark "COLEKNIT BY

RICHARD COLE” so resembles “COLE,” per se and/or “COLE OF CALIFORNIA” as to be likely to cause confusion as to source.¹

[2] It is opposer’s contention that applicant’s composite mark is dominated by “COLEKNIT” which is confusingly similar to its marks “COLE” and “COLE OF CALIFORNIA.” Applicant, in turn, has urged in effect that “COLE” being a surname is not entitled to exclusive appropriation and that since “COLE” is the name of its president, it is entitled to the use and registration thereof. The right to use one’s own name in connection with his business does not, however, extend to the use thereof by a corporation. See: *Charles J. Donnelly, Inc. v. Donnelly Bros., Inc., et al.*, 137 [3] USPQ 677 (R. I. Sup. Ct., 1963). In any event, when one elects to use his own name as a trademark, the registrability thereof is subject to the same considerations as other types of marks. That is to say, registration can be refused under Section 2 (d) of the statute if it is identical with or so nearly resembles a name or mark previously used by another in connection with similar or closely related merchandise as to be likely to cause confusion or mistake or to deceive. See: *Lewis W. Gillette v. Gillette Safety Razor Company*, 18 USPQ 15 (CCPA, 1933); *Thaddens Davids Company v. Davids and Davids*, 233 U. S. 461, 1914 C. D. 367; *The J. B. Williams Co. v. Ernest W. Williams*, 8 USPQ 539 (CCPA, 1931); *Gerber Products Company v. Gerber*, 109 USPQ 111 (Comr., 1956); and *Schenley Industries, Inc. v. Battistoni*, 112 USPQ 485 (Comr., 1957).

[4] In regard to applicant’s mark “COLEKNIT BY RICHARD COLE,” it is clear that “COLEKNIT” is the

¹ Opposer in an effort to show that confusion in trade has already occurred as a result of use by the parties of their respective marks has relied on testimony by its witness to the effect that she received numerous phone calls and inquiries as a result of an advertisement of “COLEKNITS”. This statement alone is insufficient to support a conclusion that the inquiries were the direct result of purchaser confusion as to the marks of the parties.

designation by which purchasers would ordinarily identify applicant's goods as to source; and considering the nature of the term "KNIT," as applied to applicant's goods, the dominant feature of this designation is "COLE" which has long been used by opposer to identify itself and as the salient feature of the trademark "COLE OF CALIFORNIA," "OF CALIFORNIA" being a merely geographical notation. Although applicant's mark also comprises "BY RICHARD COLE," it is used therein in the nature of a trade name and would be so recognized by purchasers. It is [5] well established that the addition of a name to one of two otherwise similar marks is not of itself sufficient to avoid the likelihood of confusion. See: *Menendez et al. v. Holt et al.*, 128 U. S. 514 (1888); *Celanese Corporation of America v. E. I. du Pont de Nemours & Company*, 69 USPQ 69 (CCPA, 1946); and *Miles Shoes Incorporated v. R. H. Macy & Co., Inc.*, 95 USPQ 170 (CA 2, 1952). It is therefore concluded that the resemblances between the marks are such that confusion as to the origin of the goods sold thereunder is reasonably likely to occur.

Applicant has relied on the decision in *Paul Sachs Originals Co. v. Sachs et al.*, 137 USPQ 240 (DC, Calif., 1963), wherein the court held that "SACHS OF CALIFORNIA" is not likely to be confused with "PAUL SACHS ORIGINAL," "DON SACHS ORIGINAL" or "DON SACHS." That decision was necessarily based upon the particular facts and circumstances adduced therein and in no way precludes a finding of likelihood of confusion based on the facts disclosed in this proceeding.

Decision

The opposition is sustained; and registration to applicant is refused.

